



**Q & M DENTAL GROUP (SINGAPORE) LIMITED**  
(Company Registration No. 200800507R)

**Announcement**

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**TERMINATION OF AGREEMENT RELATING TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF DENTAL IMPLANT SURGICAL CENTRE LIMITED (“DISC”)**

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The Board of Directors (the “**Board**”) of Q & M Dental Group (Singapore) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 12 January 2010 in respect of the conditional sale and purchase agreement (the “**S&P Agreement**”) with Dr Chow Kwok Fai, Dr Hui Edward, Dr Lee Kin Man and Dr Li Kin Shing (collectively, the “**Vendors**”) for the acquisition (the “**Proposed Acquisition**”) of the entire issued and paid-up share capital of DISC.

Unless otherwise defined, all capitalised terms used in this Announcement shall have the same meaning ascribed to them as in the announcement on 12 January 2010.

The Board wishes to announce that the Company has decided to terminate the S&P Agreement for the reasons set out below. Accordingly, the Company and the Vendors have signed a termination deed on 31 March 2010 to terminate the S&P Agreement.

**Rationale for Termination of the S&P Agreement**

Pursuant to the terms of the S&P Agreement, the Acquisition is conditional upon, *inter alia*, the results from the inspection of DISC’s business and financial conditions being satisfactory to the Company, failing which the Company may terminate the S&P Agreement on or prior to the Completion Date.

After the signing of the S&P Agreement, the Company had conducted a due diligence exercise over the business and financial conditions on DISC. The Board is of the view that the results from the due diligence exercise were unsatisfactory.

In view of the unsatisfactory results, the Company has grounds to believe that there is a greater risk that the Vendors will not be able to meet the Profit Guarantee.

The Board believes that the decision to terminate the Proposed Acquisition will ensure that the Company is not exposed to the above-mentioned risk, and such termination would accordingly safeguard the interests of the shareholders of the Company. The termination of the Proposed Acquisition is not expected to have any material impact on the Group’s operations and financial position for the current financial year ending 31 December 2010.

**PRC Expansion Plans Intact**

The Group also does not expect the termination of the Proposed Acquisition to cause any disruption to its plans to enter the PRC market as the Group has already begun preliminary negotiations with potential partners in the PRC prior to the Proposed Acquisition. These discussions in the PRC are ongoing and remain unaffected by the termination of the Proposed Acquisition.

To underscore its commitment to enter the PRC’s private dental healthcare market and strengthen its management resources, the Group has appointed Dr Cheah Kim Fee as Chief Executive Officer (“CEO”) of its wholly-owned subsidiary, Q & M Dental Group (China) Pte Ltd (“**QMDGC**”) with effect from 1 April 2010. QMDGC is a Singapore-incorporated investment holding company set up to execute the Group’s plans of expanding its dental healthcare services into the PRC.

Dr Cheah is an experienced dental practitioner. He has sound knowledge of the PRC's dental healthcare market to spearhead the Group's plans there. Dr Cheah has also subscribed for an equity interest in QMDGC which demonstrates his commitment to the Group and his conviction in the positive prospects of the private dental healthcare market in the PRC. (Please refer to a separate announcement dated 31 March 2010 from the Company for more information on Dr Cheah's appointment).

On behalf of the Board

**Dr Ng Chin Siau**  
**Chief Executive Officer**

31 March 2010

The initial public offering of the Company's shares was sponsored by Collins Stewart Pte. Limited.

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**Media and Investor Relations Contact :**

**OCTANT CONSULTING**            tel (65) 6220 2842

Herman Phua (9664 7582) or Lisa Heng (9090 9887)  
herman@octant.com.sg            lisa@octant.com.sg